Item No. 10c_Order

Meeting Date: September 10, 2024

Sponsored by: Commissioners Hasegawa and Calkins

PORT OF SEATTLE ORDER No. 2024-10

AN ORDER OF THE PORT OF SEATTLE COMMISSION

... to require the Executive Director to consider the attainment of greenhouse gas reduction goals before the renewal of any long-term cruise agreement.

PROPOSED SEPTEMBER 10, 2024

Introduction

In the year 2000, the first full year in cruise, the Port of Seattle had about 120,000 revenue passengers and 36 cruise calls. In 2025, the Port is anticipating nearly 1.8 million revenue passengers and receiving over 300 cruise calls, resulting in over \$900 million dollars in economic benefit to the region.

While the growth of the cruise industry will continue to provide significant economic benefits to the region, without adoption of zero and low carbon energy alternatives, it will also lead to an increase in greenhouse gas (GHG) and other air emissions.

Carnival Corporation & plc (which owns Carnival Cruise Line, Holland America Line, and Princess Cruises that homeport in Seattle), Norwegian Cruise Line Holdings LTD, and Royal Caribbean Group have each committed to achieving net zero GHG emissions by 2050.

In 2023, the International Maritime Organization (IMO), adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which set an overall ambition for international shipping to reach net-zero GHG emissions "by or around" 2050. The indicative checkpoints in the 2023 GHG Strategy to reach net-zero include reduction in total annual GHG emissions from international shipping by at least 20 percent, striving for 30 percent by 2030 (from 2008), and at least 70 percent, striving for 80 percent, by 2040 (from 2008). The 2023 IMO GHG Strategy also set 2030 targets to reduce emissions intensity ("CO2 per transport work") by 40 percent from 2008 levels, and achieve at least a 5 percent, striving for 10 percent, uptake of zero- or near-zero GHG emission fuels.¹

¹IMO. 2023 IMO Strategy on Reduction of GHG Emissions from Ships.

The Port of Seattle has set GHG reduction targets through its Century Agenda, as well as through the Northwest Ports Clean Air Strategy (NWPCAS), to phase out emissions from all seaport-related sources by 2050. In response to the urgency of climate change, in 2021 the Port accelerated its Century Agenda GHG reduction targets originally set in 2017. For Scope 1&2 GHG emissions, which include port-controlled and indirect sources like electricity, the Port aims to achieve a 50 percent reduction in emissions by 2030 from a 2005 baseline, and net zero or better by 2040. For Scope 3 GHG emissions, which includes industries operating on Port facilities - including cruise, the Port aims to achieve a 50 percent reduction in emissions by 2030 from a 2007 baseline and carbon neutral or better by 2050.

The Port's updated targets are intended to address the climate crisis, build on existing reduction initiatives, and demonstrate leadership in the transition to clean energy and zero-emission port operations. This is evidenced by the Port achieving the 50% reduction goal for its scope 1 and 2 in 2023 (7 years early).

Charting the Course to Zero: Port of Seattle's Maritime Climate and Air Action Plan identifies strategies and actions through 2030 to implement the NWPCAS and achieve the Century Agenda GHG targets in maritime operations. Furthermore, in June 2024, the Port Commission adopted an order accelerating the timeline for all cruise ships to utilize shore power at all Port facilities by 2027.

The Port of Seattle Commission is directing the Executive to evaluate and publicize cruise lines' attainment of the Port's and IMO's greenhouse gas reduction goals before renewing a homeported cruise line's long-term agreements. This policy direction will affirm the urgency of the climate crisis and ensure accountability for GHG and other air emissions reductions.

TEXT OF THE ORDER

The Executive Director shall evaluate Cruise lines' progress toward achieving Port and IMO greenhouse gas reduction goals before renewing or extending any long-term berthing agreements.

The Executive Director shall publicize cruise lines emissions trends and emission reduction projects that Cruise lines have undertaken to attain the GHG reduction goals.

The Executive Director shall include language in any long-term berthing agreements, leases, renewals, and extensions with homeported cruise lines that supports evaluation of GHG goals before any renewal or extension is considered.

The Port shall continue to ban Exhaust Gas Cleaning System wash water discharge at berth through the tariff and advocate for the continued voluntary moratorium on the discharging of Exhaust Gas Cleaning System wash water in Puget Sound.

STATEMENT IN SUPPORT OF THE ORDER

The climate crisis is both a global and a local issue impacting communities and wildlife throughout the Pacific Northwest. Communities face the impact of rising sea levels, temperatures, and changing resource distributions, as well as health impacts related to fossil fuel emissions from transportation and industry. Many species of fish, birds, and mammals, including iconic orca and salmon populations, inhabiting the Salish sea are further imperiled due to climate change.

Demonstrating progress toward achieving the established goals of reducing diesel particulate matter and greenhouse gas emissions is one way cruise ships can reduce their impacts on communities, wildlife, and the climate.

A transition to zero-emission fuels will be a critical element of Cruise lines reaching IMO, Port and Cruise line GHG reduction goals. The Port has an important role in this transition. Our first-of-its-kind Pacific Northwest to Alaska Green Corridor is an industry leading effort between cruise lines and ports to demonstrate a pathway to decarbonize shipping fuels. The Port of Seattle along with our port and cruise line partners are exploring the feasibility of having four cruise ships sailing on the corridor using green methanol as fuel by 2032. This example, among several other regional fuels-focused partnerships across the region, will make the decarbonization outlined in this Order feasible within a globally recognized maritime GHG reduction regime.

Transition to clean and zero carbon fuels will also eliminate the need for the use of Exhaust Gas Cleaning Systems (EGCS). Cruise lines calling in Seattle have voluntarily halted discharge of EGCS discharge in Puget Sound and the Port of Seattle has permanently banned discharge while at berth through our tariff, which is updated each year at the sole discretion of the Port of Seattle.

Discharge of wastewater is also banned under a No Discharge Zone (NDZ) in Puget Sound. The NDZ was adopted on April 9, 2018, after a five-year public process and approval from the Environmental Protection Agency (EPA). Cruise lines voluntarily ceased discharging any treated or untreated wastewater in Puget Sound several years before the NDZ went into effect.

Additionally, this Order advances the Port of Seattle's Century Agenda goal number four to be the greenest and most energy-efficient port in North America and further affirms the Port's commitment to sustainability by reducing its largest source of maritime air and climate emissions.